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December 11, 2023

Kathleen Jackson, Interim Chair
Will McAdams, Commissioner
Lori Cobos, Commissioner
Jimmy Glotfelty, Commissioner
Public Utility Commission of Texas
1701 N. Congress Avenue, Room 8-100
Austin, Texas 78711-3326

Re: Docket No. 54445, *CY 2023 Review of Rules Adopted by the Independent Organization*

Dear Interim Chair and Commissioners:

Electric Reliability Council of Texas, Inc. (ERCOT) appreciates the Commissioners' thoughtful consideration and discussion of Nodal Protocol Revision Request (NPRR) 1186, *Improvements Prior to RTC-B Project for Better ESR State of Charge Awareness, Accounting, and Monitoring*, at the November 30, 2023 Open Meeting. During that meeting, the Commissioners raised several important observations and questions regarding different features of this NPRR and related policy principles. ERCOT is in the process of working through the issues raised in that discussion and is preparing a presentation to the Commission to provide greater detail and explanation on the following topics:

- Why near-term Energy Storage Resource (ESR) growth requires adoption of explicit and enforceable State of Charge (SOC) requirements;
- Real-world examples of SOC deficiencies;
- Real-world examples of Ancillary Service performance failures due to SOC deficiencies;
- How NPRR1186 effectively addresses these risks while still retaining some flexibility;
- Potential reliability and market consequences if NPRR1186 is not adopted;
- How Ancillary Service responsibilities may be moved from one Resource to another within a QSE or sub-QSE;
- An explanation of the relationship between NPRR1186 and NPRR1209, *Board Priority State of Charge Ancillary Service Failed Quantity Allocations under NPRR1149*; and
- A comparison of the existing capacity compliance framework to the framework of NPRR1186.

Given the time required for gathering this information and assembling it into an appropriate format, ERCOT is concerned that it may not be able to file this presentation in time to allow careful

review ahead of the Commission's December 14, 2023 Open Meeting¹. To ensure ERCOT can provide the best information possible, and to allow the Commission and other parties a reasonable opportunity to review, ERCOT respectfully requests that the Commission defer consideration of NPRR1186 to its January 18, 2024 Open Meeting. ERCOT commits to file its presentation with the Commission no later than January 4, 2024. This will allow the Commission and parties a full two weeks to review ERCOT's materials ahead of the January 18, 2024 Open Meeting.

While ERCOT seeks urgent resolution of this NPRR and regulatory certainty for ESRs, ERCOT also wants to ensure it has responded to each of the concerns raised at the last Open Meeting discussion. ERCOT can confirm that deferring this discussion to the January 18, 2024 Open Meeting would not delay any of ERCOT's other market initiatives, including Real-Time Co-optimization.

ERCOT greatly appreciates your consideration of this request.

Respectfully submitted,

/s/ Chad V. Seely

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¹ This filing is submitted less than seven days in advance of the December 14, 2023 Open Meeting so that the Commission will have the most recent information available for its consideration at that meeting. *See* 16 TEX. ADMIN. CODE § 22.71(i)(2)(C).